Internal Revenue Service

Number: **200827016** Release Date: 7/4/2008

Index Number: 1362.01-03

Department of the Treasury

Washington, DC 20224

Third Party Communication: None Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To: CC:PSI:B02 PLR-140328-07

Date:

March 06, 2008

<u>X</u> =

A =

D1 =

<u>D2</u> =

Dear :

This responds to a letter dated August 31, 2007, submitted by \underline{X} 's authorized representative on behalf of \underline{X} , requesting a ruling under ' 1362(b)(5) of the Internal Revenue Code.

 \underline{A} , as president of \underline{X} , represents that \underline{X} was incorporated on $\underline{D1}$. \underline{X} was intended to be an S corporation effective $\underline{D2}$. However, no Form 2553, Election by a Small Business Corporation, was timely filed for X.

Section 1362(b)(5) of the Code provides that if -- (A) an election under ' 1362(a) is made for any taxable year after the date prescribed by ' 1362(b) for making such election for such taxable year or no such election is made for any taxable year, and (B) the Secretary determines that there was reasonable cause for the failure to timely make such election, the Secretary may treat such an election as timely made for such taxable year.

Based solely on the facts and the representations submitted, we conclude that \underline{X} has established reasonable cause for failing to make a timely election to be an S corporation effective $\underline{D2}$. Accordingly, provided that, within 60 days of the date of this letter, \underline{X} makes an election to be an S corporation by filing a completed Form 2553 effective $\underline{D2}$ along with a copy of this letter with the appropriate service center, and \underline{X} and all of \underline{X} 's shareholders amend their tax returns consistent with the treatment of \underline{X} as an S corporation effective $\underline{D2}$, then such election will be treated as timely made for $\underline{D2}$.

Except as specifically set forth above, no opinion is expressed concerning the federal tax consequences of the facts described above under any other provision of the Code, including whether \underline{X} was or is a small business corporation under ' 1361(b) of the Code.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

Pursuant to a power of attorney on file with this office, a copy of this letter is being sent to \underline{X} 's authorized representatives.

Sincerely,

J. Thomas Hines Chief, Branch 2 Associate Chief Counsel (Passthroughs & Special Industries)

Enclosures: 2

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CC: